

**Testimony of
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Senate Rules Committee

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Chairman Burton and Members of the Committee:

Thank you for the opportunity to appear before you today. I feel extremely privileged to have been selected by Governor Davis to serve in his administration and to lead the Department of Child Support Services. I know Senator Burton that you, as one of the authors of the legislation creating the new Department, have a keen interest in the child support program and I thank you for that concern.

In 1999, the Legislature passed, and the Governor signed, a package of bills which made significant changes to the organization, administration and funding of the state's child support program. Generally these reforms significantly increased state authority and oversight for the program, and changed state administrative responsibility for developing the statewide child support automation system.

Among the more significant changes are the creation of a new Department of Child Support Services (DCSS); the transfer of local administration from the county district attorneys to separate child support agencies; and the transfer of responsibility for the procurement of the automation system from the Health and Human Services Data Center to the Franchise Tax Board.

I would like to outline both my short and long-term goals for the Department. These goals have been fashioned with both a historical knowledge of the child support reform legislation in mind as well as my direct experience with the program and its stakeholders over the last eleven months. Each of these goals is aimed toward creating a strong state-directed child support program that promotes the well-being of children and self-sufficiency of families.

My immediate goals have been, and will continue to be, focused on establishing an organizational structure for the new Department that will enable it to support the program vision and carry out statutory directives over the next several years. It is rare that one has the opportunity to build a state department to correspond directly to the vision for the program being implemented. The Department consists of three divisions: the central program division, administrative services and technology services. Additionally, I have created an Office of Research and

Program Design that will develop, evaluate and support innovative projects and practices that enhance child support operations throughout the state.

Nearly the entire executive team is in place now and immediate efforts are being made to fully staff the Department with 241.7 positions. The executive team reflects a gathering of some of the best talents from state service, local child support programs and the child support advocacy community consistent with my guiding principle of inclusion and collaboration. Our structuring effort has allowed us to provide promotional opportunities for current child support staff and to bring in new staff interested in starting with a new department on the ground floor. This has allowed the Department to carry forward program knowledge and bring in new staff not bound by the experience of past practices. Strengthening the organizational structure will continue to be one of my immediate goals.

I have several long-term goals. First, implementing a uniform, single statewide automated system will be my top long-term priority for the Department. The California Child Support Automation System (CCSAS) Project mandated by AB 150 is being developed in a partnership with the Department and the Franchise Tax Board. Developing the statewide system at the same time the child support program is being restructured presents the unique opportunity to construct an automated system that will more efficiently support the redesigned program. The challenge facing the development of statewide automation is balancing the pressure to implement quickly to avoid sizeable federal penalties with the need to build a system that will support the child support program well into the future. My focus will be on ensuring the automation system is procured based on business requirements as opposed to just technical specifications, requiring contractors to share in the risk and timely completion. Lessons learned from past automation efforts have been fully integrated into the system development.

Second, transitioning local child support programs out of the district attorneys' offices to new local child support agencies will also be a priority over the next two years. In an effort to ensure a timely and efficient transition of local child support programs, we took advantage of the legislative option to transition selected counties early. Eleven "pioneer" counties were selected to transition by the end of last year. San Francisco was the first to transition in October. The ten other counties transitioned by December 31, 2000. We were able to transition these counties with significant program savings and no disruption of services to families. It will be one of my priorities to ensure that well over one half of the state's child support case load will be transitioned by the end of 2001 and the remaining caseload by the end of 2002. Significantly, the transitions resulted in very small current year costs but in substantial out year savings. In fact, the savings for the eleven pioneer counties is nearly \$ 1 million. I will continue to insist that the transitions result in no increased program costs and that new local agencies establish a strong infrastructure for the future.

Third, establishing new policies, procedures and practices to implement performance standards and program measures is both a short term and long term priority of the Department. The reform legislation requires the Department to adopt uniform policies, procedures and performance standards for a redesigned program. I initiated a project this year that brought together over 140 representatives of stakeholders in the program to make recommendations in eleven major subject areas. The workgroups met nearly every day for several months concluding their work in December. They made over 300 program recommendations. Many of those recommendations will be adopted in regulations by July 2001. Other recommendations have formed the framework for new department initiatives that will be implemented over the next several years. I will continue to work with all of the stakeholders to implement many of those recommendations.

Fourth, improving customer service has been long neglected in this program and it is a priority to improve how the program serves its customers including both custodial and noncustodial parents as well as employers, financial institutions and others who interface with the program on a daily basis. To this end, I launched a major customer service initiative, which funded 141 ombudsperson positions in the local child support agencies to receive and resolve complaints received in the counties by parents. Additionally, the initiative directed approximately \$15 million to be used by local child support agencies to conduct customer service activities such as public outreach, program access and participation, working with the courts and training. The Department is also conducting a statewide customer service survey to establish statewide information on customer satisfaction with the child support program. The survey will establish the baseline measure for a customer service standard local child support agencies will be required to meet.

Fifth, ensuring the integrity and reliability of program data collected and maintained by the department is also a priority for the program. The Department's Office of Research and Program Design has been designated as the central point for ensuring all program data is in compliance with applicable laws and regulation and for the publication and dissemination of data to stakeholders and interested parties. This goal will focus on taking what has been historically unreliable data and ensuring that it will be complete, accurate and internally consistent between and over time. This will strengthen the state's ability to share in a greater portion of federal incentive payments.

Sixth, assessing through research the collectibility of current and owed child support obligations and defining strategies to increase collections based on that knowledge will be one of the defining roles for program. I intend to use research to further inform the Department on defining collection strategies and assessing the collectibility of child support statewide. The Department has contracted with the Urban Institute to determine what is realistically collectible in California. This research will provide an assessment of how county-level child support

performance measures are affected by socioeconomic characteristics, an estimate of the \$14 billion in child support arrears in California is collectible, and an analysis of obligor's ability to pay child support. This will allow the Department to establish program standards that will direct collection efforts in the most efficient and effective manner by focusing those efforts on individuals most likely to have resources and an ability to pay support. It will also identify those parents who lack a current ability to pay so that service strategies may be appropriately targeted.

Finally, developing collaboratives that will enable the department to direct fathers and noncustodial parents into services that will enable them to support their children financially and emotionally in the future. There are different reasons for the nonpayment of child support, which necessitate different collection strategies. Swift and effective enforcement actions are necessary for active evaders, who are able but unwilling to support their children. However, these techniques are not only ineffective, but also counterproductive, when used on parents with little income and few life skills. Thus, the program must also focus on family self-sufficiency, helping connect children with their parents for both financial and emotional support. To that end I will be devising a Fathers, Families and Communities Initiative that will work toward directing low-income fathers who have few skills or substance abuse, mental health or other barriers into community driven services. Local child support agencies will serve as the point of entry for integrated service delivery to help these men support their families.

I am looking forward to moving ahead with this program as we seek to implement the best child support program in the nation.

This concludes my prepared statement. I would be happy to answer any questions you may have.